



Department of Agriculture

107 Corporate Drive
Frankfort, Kentucky 40601

502/573-0282
502/573-0304(f)

www.kyagr.com

Richie Farmer
Commissioner

Mark Farrow
Chief of Staff

Craig Maffet
General Counsel

Glenn Mitchell
Office of Strategic Planning &
Administration

Dr. Wilbur Fyre
Office of Consumer &
Environmental Protection

Michael Judge
Office of Agriculture Marketing
and Product Promotion

POLICY MEMORANDUM – KY-FD-PM-S-06-04

TO: Food Service Directors

FROM: Teresa Ulery, Director
Division of Food Distribution

DATE: February 17, 2006

SUBJECT: Net-Off-Invoice Approval for Kentucky

Kentucky has made the decision to approve the Net-Off-Invoice Value Pass Through method for use beginning with School Year 2006-2007.

Attached to this memorandum is a copy of the USDA Food Distribution National Policy Memorandum dated March 18, 2003, Policy No. FD-007: State Processing which provides overall authorization and guidance for Net-Off-Invoice.

In authorizing this Value Pass Through method the State Distributing Agency specifically delegates the Sales Verification requirement to the processors. The State Distributing Agency will perform the required Sales Re-verification.

Processors are hereby required to fully inform the State Distributing Agency of the results of, and the method used for Sales Verification. They must also provide access to any websites or computer programs used in the verification process to allow for adequate and accurate re-verification.

Recipient Agencies are instructed to keep a running record of their purchases from processors which include the amount of Donated Food which has been utilized and the remaining allocated balance with the processor.

TU/rb

W:\Schs & CIs\Policy Memos\06\KY-FD-PM-S-06-04 -Net Office Invoice Approval for KY.doc